NOTIFICATION.

(LAW DEPARTMENT)

No. LAW 145 *LCR* 65, *dated* 17*th August* 1965.

Ordered that the accompanying notification No. S.O. 2214, dated 7th July 1965 of the Central Board of Direct Taxes regarding the Income-tax (Determination of Export Profits) Rules, 1965 which has been published in the *Gazette of India*, Extraordinary, Part II, Section 3, sub-section (ii) dated the 8th July 1965, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore,

B. RAMACHANDRA RAO,
Under Secy. to Govt. I/c., L. D

GOVERNMENT OF INDIA

CENTRAL BOARD OF DIRECT TAXES.

NOTIFICATION.

INCOME-TAX.

New Delhi, the 7th July 1965.

S.O. 2214.—In exercise of the powers conferred by clause (d) of sub-section (5) of section 2 of the Finance Act, 1965 (10 of 1965), the Central Board of Direct Taxes hereby makes the following rules, namely :—

1. **Short title.**—These rules may be called the Income-tax (Determination of Export Profits) Rules, 1965.

2. **Computation of qualifying income.**—(1) Where the total income of an assessee referred to in sub-clause (i) of clause (a) of sub-section (5) of section 2 of the Finance Act, 1965 (10 of 1965) includes any profits and gains derived from the export of any goods or merchandise out of India, the amount of such profits and gains in respect of which deduction of income-tax is admissible under that sub-clause (hereinafter referred to as the qualifying income)

shall be computed in accordance with the provisions of sub-rule (2) or sub-rule (3) or sub-rule (4) of this rule, as the case may be.

(2) Where in the opinion of the Income-tax Officer it is possible to ascertain the profits and gains on such exports, the qualifying income shall be taken to be the amount by which the profits and gains so ascertained in accordance with the provisions of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act) and included in the total income exceed the aggregate of the amount of any portion thereof on which income-tax is not payable and the amount in respect of which a deduction of income-tax has been granted under any of the provisions of the Act.

(3) Where in the opinion of the Income-tax Officer the profits and gains on such exports cannot be ascertained, the qualifying income shall be taken to be the amount which bears to the profits and gains of the whole business of which such exports form a part and included in the total income (as reduced by the aggregate of the amount of any portion thereof on which income-tax is not payable and the amount in respect of which a deduction of income-tax has been granted under any of the provisions of the Act), the same proportion as the value of the turn-over in respect of such exports bears to the turn-over of the business of which such exports form a part.

(4) Where in the opinion of the Income-tax Officer a computation of such profits and gains in the manner specified in sub-rule (3) presents exceptional difficulties, the qualifying income shall be taken to be the amount by which such profits and gains as ascertained by the Income-tax Officer on any other reasonable basis on the data available and included in the total income exceed the aggregate of the amount of any portion thereof on which income-tax is not payable and the amount in respect of which a deduction of income-tax has been granted under any of the provisions of the Act.

[No. 59/F. No. 1(138)-65/TPL.]

HARIHAR LAL, Secy.